

# FISCAL NOTE

**Bill #:** SB0361

**Title:** Revise alternative livestock producers regulatory authority

**Primary**

**Sponsor:** Ken Mesaros

**Status:** As amended by S. Ag Livestock & Irrigation Committee

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue (02)	\$262,349	\$69,097
<b>Revenue:</b>		
State Special Revenue (02)	25,600	25,600
<b>Net Impact on General Fund Balance:</b>	<b>\$0</b>	<b>\$0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
X		Significant Local Gov. Impact	X		Technical Concerns
X		Included in the Executive Budget		X	Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

#### **Department of Livestock (DOL)**

1. SB 361 will have an effective date of October 1, 1999.
2. 1.50 additional FTE are projected, a grade 12 field staff and a grade 10 office support in FY 2000 and 2.00 FTE in FY2001. The annual costs for the FTE are \$43,184 in FY 2000 and \$57,579 in FY 2001.
3. Per diem for the field staff is \$1,656 in FY 2000 and \$2,208 in FY 2001 (8 days a month at \$23 a day times 9 months).
4. Operational costs include a leased vehicle, per diem for field staff, and office equipment which total \$10,416 in FY 2000 and \$7,968 in FY 2001.
5. Equipment costs is for one ATV at \$5,199 in FY 2000.

6. Existing revenues under current law are \$36,732 based upon \$12 a head per capita fee times 3,061 head of alternative livestock. Current per capita fees will need to be increased to cover the shortfall of funding for current operations of about \$45,000. The Board of Livestock has the authority to increase fees sufficient to cover revenue shortfalls for current operations that are not included in this legislation.
7. This bill increases estimated renewal fees to \$17,200 of which one half goes to FWP and DOL, plus a total of \$6,000 new fees of which one half is divided between DFWP and DOL.
8. Section 12 creates a new import fee not to exceed \$50 on each alternative livestock imported into the state. Average imports for the last two years are 288 animals. Fees could range from zero to \$14,400.
9. The Alternative Livestock Industry agrees to the increase in per capita fee to offset revenue shortfall.
10. All revenues are to be deposited in a state special revenue account.

**Department of Fish, Wildlife and Parks (FWP)**

11. FWP would be responsible for the cost of preparing a programmatic environmental impact statement at an estimated cost of \$200,000.
12. FWP would continue to contract for environmental assessments and impact statements to address site-specific issues for each application. The \$208,000 biennial appropriation would continue to be needed to keep pace with the increasing number of applications and consultant costs. The funds are included in FWP operations budget.
13. FWP currently receives approximately \$12,000 each year in fees. This legislation would cause a \$400 reduction annually due to the sharing of fees with the DOL.
14. FWP would continue to be responsible for licensing new facilities, including preparation of environmental assessments, assuring the removal of all wild game animals from game farm enclosures, confiscation of unlawfully held game farm animals, and legal disputes over licensing. Additional time will be allocated to coordination and communication with Department of Livestock and other agencies for MEPA compliance and regulatory compliance investigations, including license revocations. Current level FTE would be responsible for these activities and the current level budget would not be reduced.
15. This bill will require FWP to pay legal fees for any licensing decisions that are successfully challenged by the applicant. It is estimated that there will be an average of two appeals per year. Over the biennium, it is estimated that one of the appeals will be successful. Legal costs for one of four appeals per biennium are estimated to be \$5,000 for 30 hours of legal work plus expenses. There is no provision for recovering FWP legal costs in unsuccessful challenges.
16. FWP will continue to regulate the licensing of carnivores and omnivores under the zoo/menagerie statutes. There are approximately 13 facilities licensed for mountain lions and black bears. These duties will be the responsibility of current level FWP staff. No new funding or increase in FTE would be required.
17. Since 1983 FWP has increasingly redirected staff time to cover responsibilities of game farm administration. Any game warden or biologist staff time that may be freed up as a result of changes in duties will be redirected back to job duties that historically have required more time than was available. No reduction in program management or legal staff time is anticipated under this bill.
18. FWP currently allocates approximately \$10,000 per year to contracted services with the Attorney General for game farm prosecutions. These funds will continue to be necessary, but are only allocated as needed. FWP and DOL will share operating costs for the Game Farm Advisory Council. Total annual costs are estimated to be \$2,100.

(continued)

**FISCAL IMPACT:**

**Department of Livestock (DOL)**

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
FTE	1.50	2.00
<u>Expenditures:</u>		
Personal Services	\$43,184	\$57,579
Operating Expenses	10,416	7,968
Equipment	<u>5,199</u>	<u>0</u>
TOTAL	\$58,799	\$65,547
<u>Funding:</u>		
State Special Revenue (02) Import/New Fees	\$26,000	\$26,000
<u>Revenues:</u>		
State Special Revenue (02)	\$26,000	\$26,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$32,799)	(\$39,547)

**Department of Fish, Wildlife and Parks (FWP)**

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
FTE	0	0
<u>Expenditures:</u>		
Operating Expenses	\$203,550	\$3,550
<u>Funding:</u>		
State Special Revenue (02)	\$203,550	\$3,550
<u>Revenues:</u>		
State Special Revenue (02)	(\$400)	(\$400)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
State Special Revenue (02)	(\$203,950)	(\$3,950)

**TECHNICAL NOTES:**

**Department of Livestock**

1. Only the Board of Livestock can increase the per capita fee. The per capita fees needed to cover current operational deficits of the departments game farm operations can be increased within statutory limitations.

**Department of Fish, Wildlife and Parks**

2. FWP will have fiscal, technical and legal responsibilities for licensing, including revocation, but DOL will have all responsibility for compliance and general enforcement. FWP will be required to take legal action based on information provided by DOL and technical support provided by DOL staff. Most of the basis for license revocation is based on compliance with game farm requirements under the authority of DOL.
3. FWP will be responsible for license renewals. DOL will have to provide the documentation supporting each license renewal or substantiating license revocation and coordinate with FWP legal staff.
4. Game farm license fee revenue provided to FWP will supply less than 3% of the cost to FWP for managing the game farm program.